

2023/24 Winter Propane Market Update



February 7, 2024 | Washington, DC

(Inventory data as of 2/2/24; residential heating fuel prices as of 2/5/24)

By

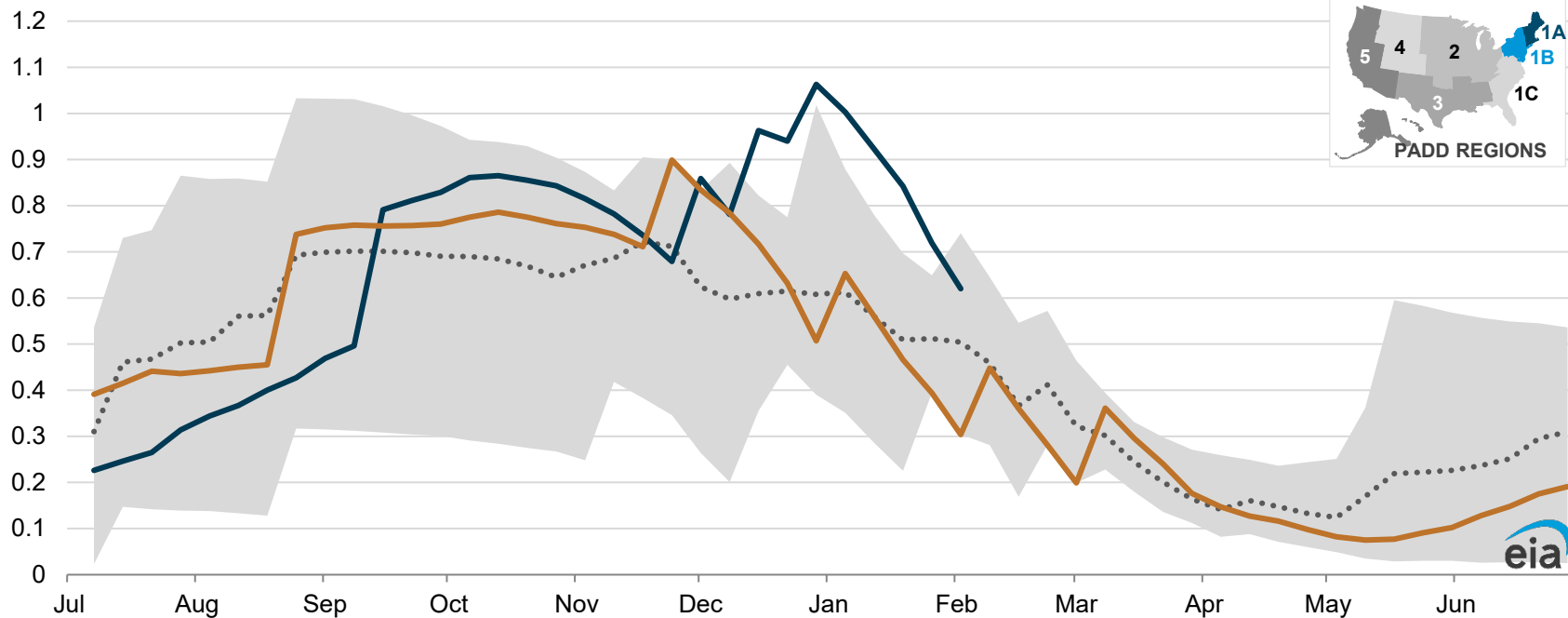
U.S. Energy Information Administration

PADD 1A (New England) propane inventories above the 5-year average

PADD 1A propane inventories

million barrels

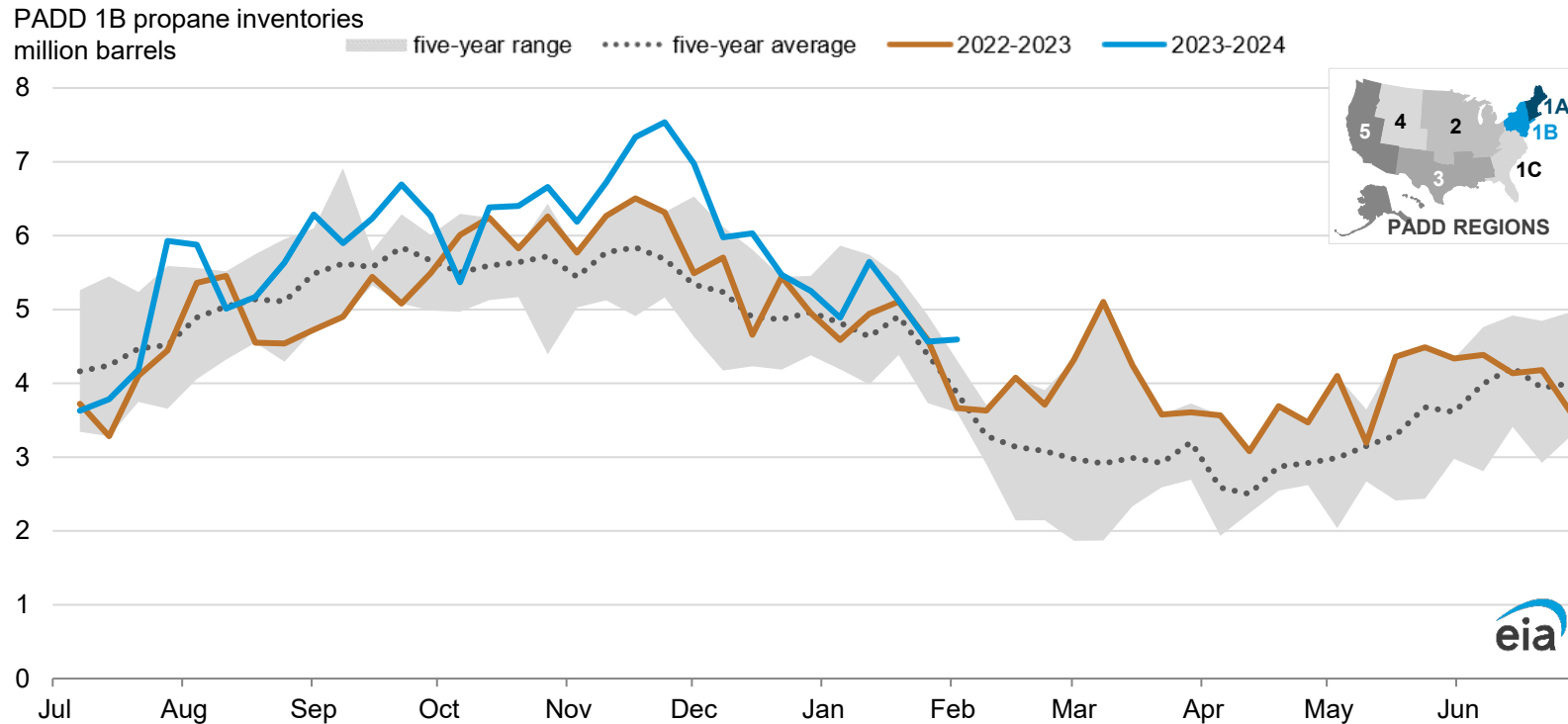
■ five-year range five-year average — 2022-2023 — 2023-2024



Data source: EIA, *Weekly Petroleum Status Report*, February 7, 2024. Data through February 2, 2024.

Note: PADD 1A is composed of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

PADD 1B (Mid-Atlantic) propane inventories above the 5-year range



Data source: EIA, *Weekly Petroleum Status Report*, February 7, 2024. Data through February 2, 2024.

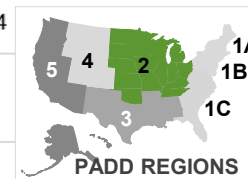
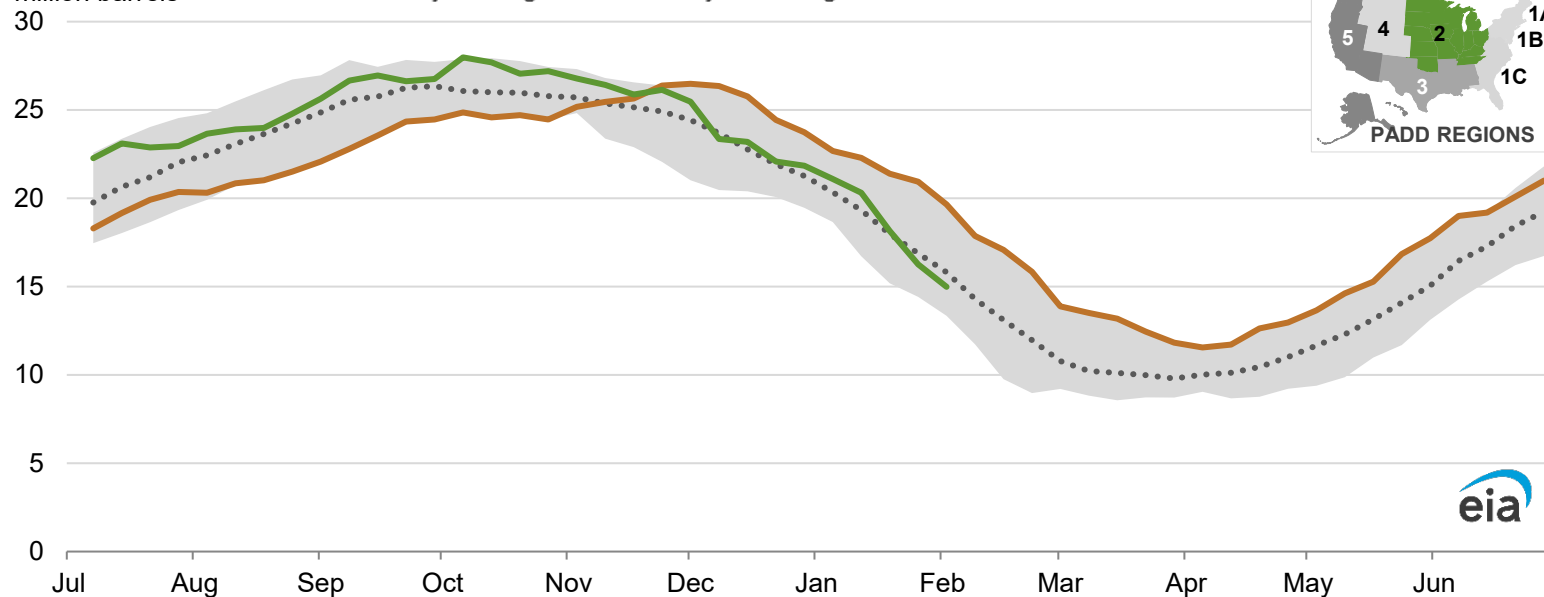
Note: PADD 1A is composed of Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

PADD 2 (Midwest) propane inventories are below the 5-year average

See note below on past publication error

PADD 2 propane inventories

million barrels



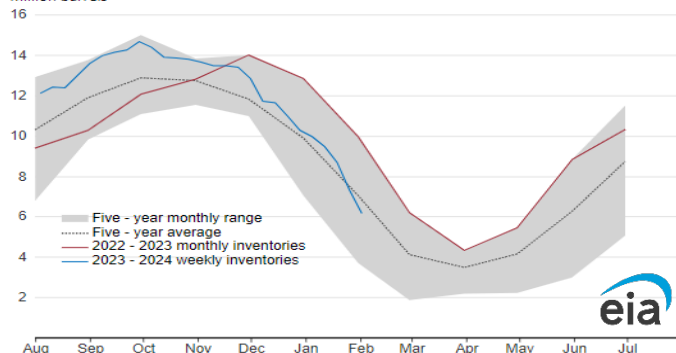
Data source: EIA, *Weekly Petroleum Status Report*, February 7, 2024. Data through February 2, 2024.

PADD 2 is composed of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio Oklahoma, South Dakota, Tennessee, and Wisconsin.

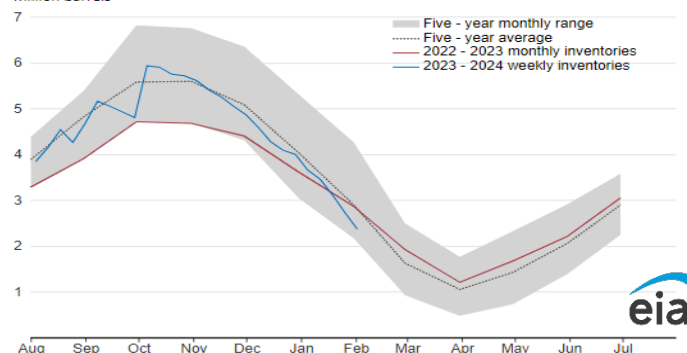
Note: PADD 2 propane stocks published in the *Weekly Petroleum Status Report* from November 15 through December 20 were misstated. Current week's publication shows correct stocks and the PADD 2 inventory chart shows corrected propane stocks. We have published an errata table with correct stock levels for all impacted weeks in [Appendix E](#) of the [Weekly Petroleum Status Report](#).

Selected state propane* inventories

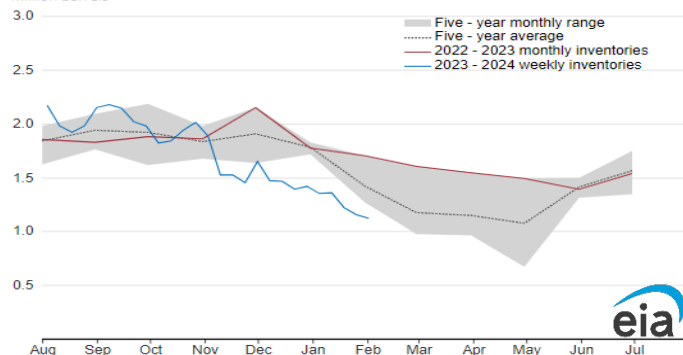
Kansas propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
million barrels



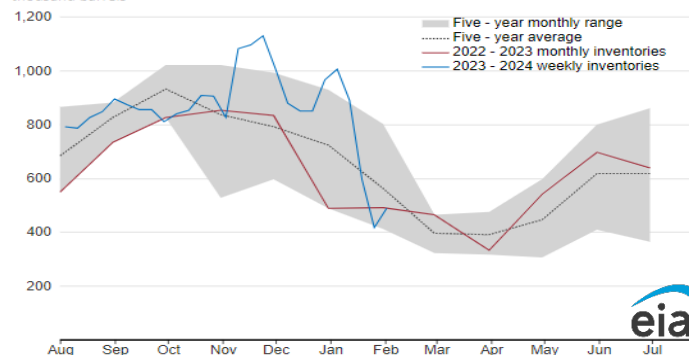
Michigan propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
million barrels



Illinois, Indiana, Ohio propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
million barrels



Iowa, Minnesota, Wisconsin propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)
thousand barrels

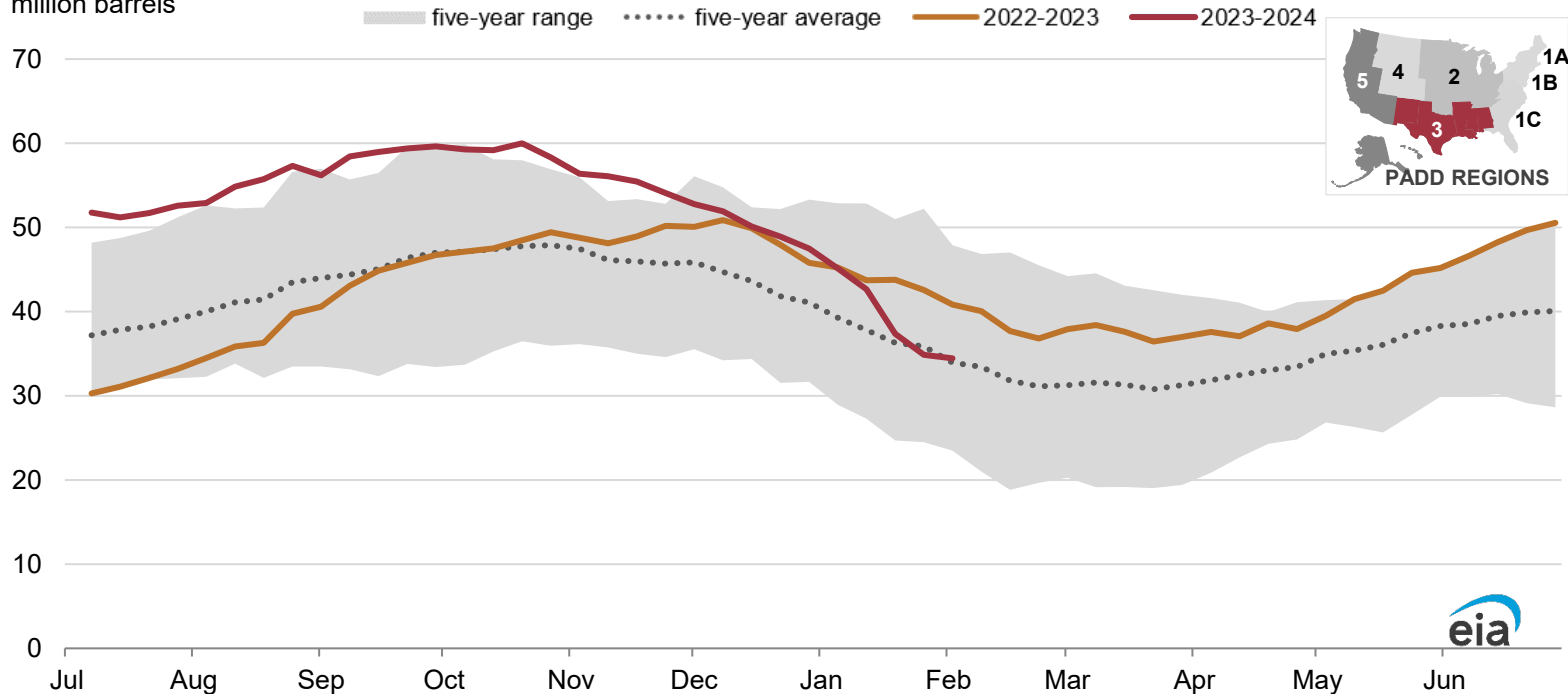


Data Source: EIA, *Weekly Petroleum Status Report*, data through February 2, 2024

*propane/propylene for fuel use only

PADD 3 (Gulf Coast) propane inventories at the 5-year average

PADD 3 propane inventories
million barrels

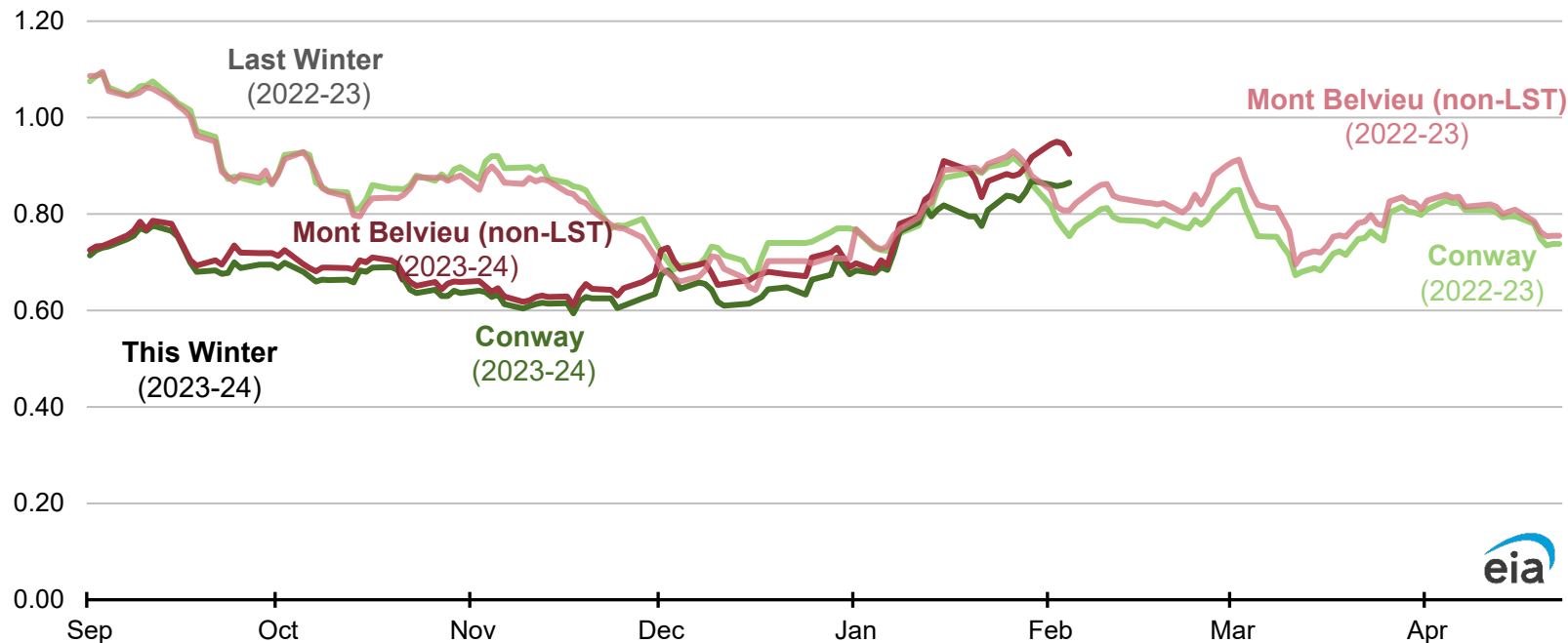


Data source: EIA, *Weekly Petroleum Status Report*, February 7, 2024. Data through February 2, 2024.

Note: PADD 3 is composed of Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

Wholesale propane spot prices now close to last year's, with Mt. Belvieu, Texas at ~6¢/gal premium to Conway, Kansas.

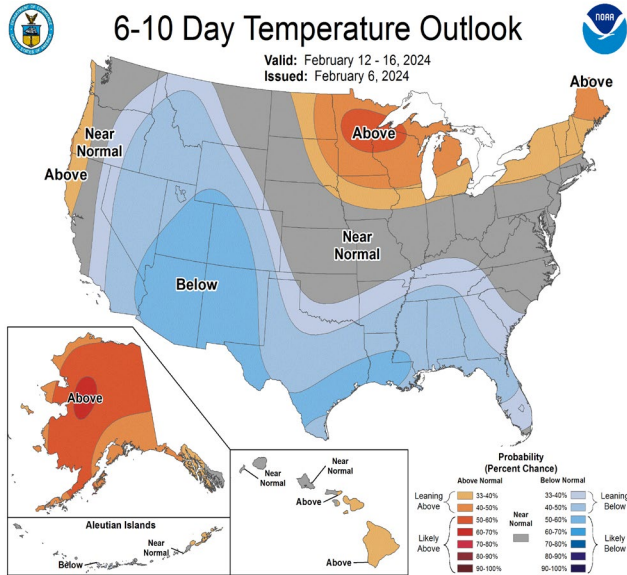
Propane spot prices (Conway, KS and Mont Belvieu, TX)
dollars per gallon



Data source: Bloomberg L.P., data through February 6, 2024

NOAA's projected temperatures:

February 12 – Feb. 16, 2024, and February 14 – Feb. 20, 2024

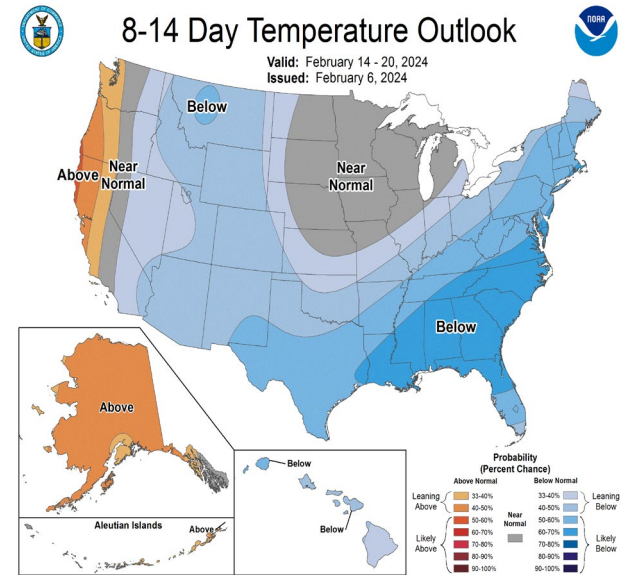
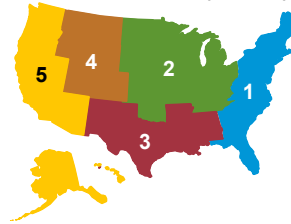


A = temperatures above normal
N = equal chance that temperatures are above normal, normal, or below normal

B = temperatures below normal

Data source: [NOAA](https://www.noaa.gov), Feb. 6, 2024

Petroleum Administration for Defense Districts (PADDs)

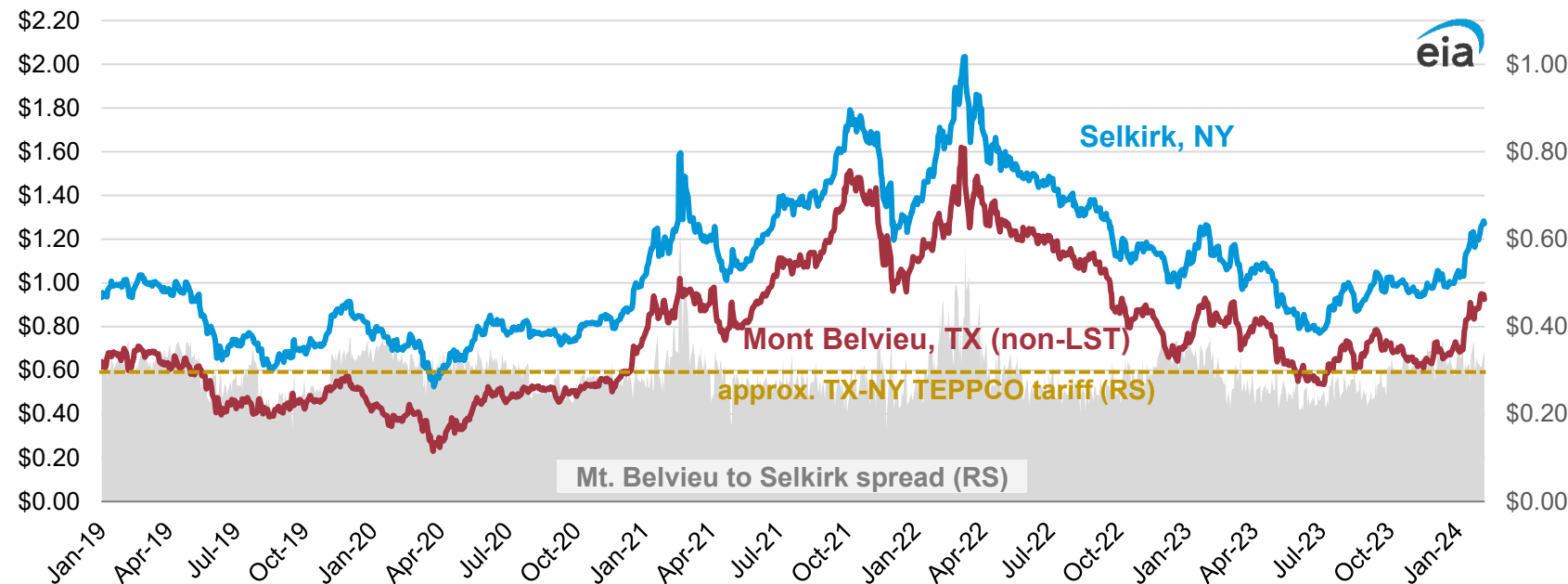


- NOAA forecasts the current above-normal temperatures to give way to below-normal temperatures moving across the Lower-48 States from the western U.S. to the south and southeast, with the highest probability along the Gulf Coast and the desert Southwest. Above-normal temperatures across the Great Lakes and New England early in the forecast will turn to normal to below-normal later in the forecast.
- Cooler-than-normal weather will likely result in higher winter heating demand for this time of year in PADDs 3, 4, and 5 early in the forecast, then shift to all PADDs except PADD 5.

Northeast propane prices, generally dictated by tariff on TEPPCO* pipeline, remain high enough to pull product from the Gulf Coast

propane spot prices
dollars per gallon

propane price spread
dollars per gallon

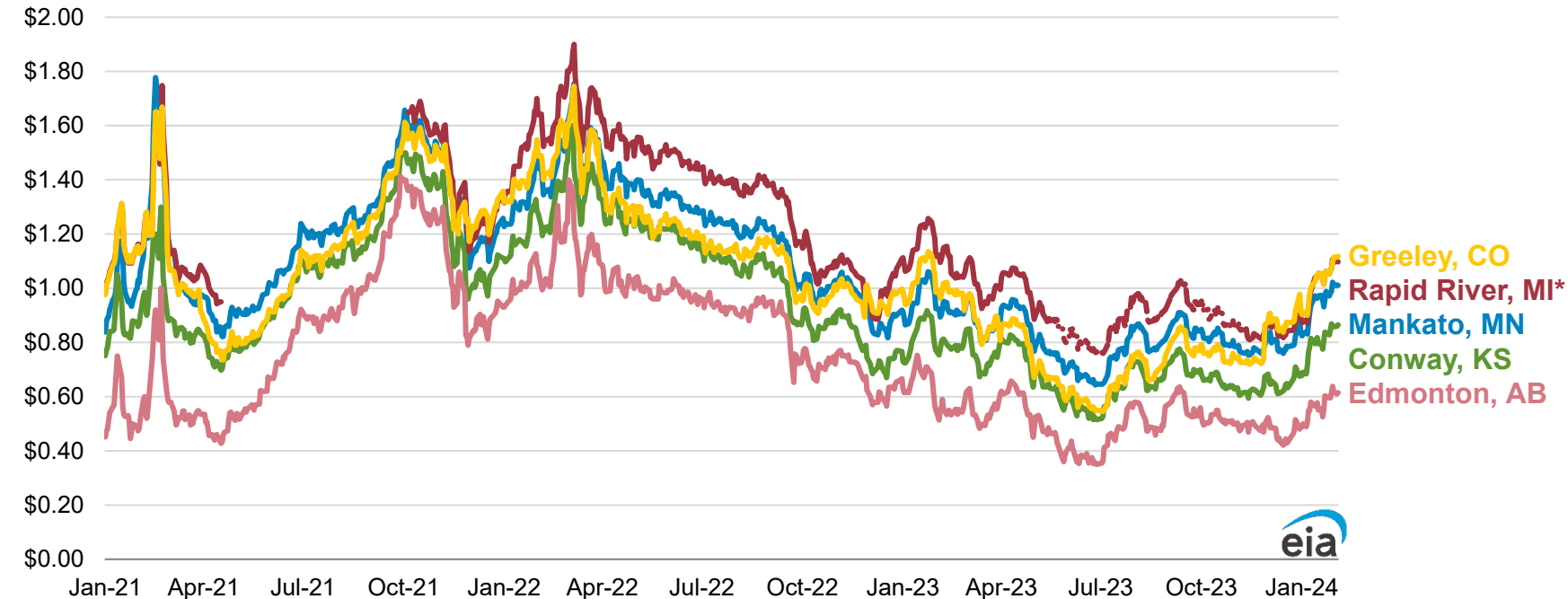


TEPPCO = Enterprise TE Products Pipeline Company LLC

Data source: Bloomberg L.P., data through February 6, 2024; Enterprise Products Partners L.P., [Effective Tariffs](#), FERC No. 54.70.0

Prices at major Midwest market centers rose this week, stay correlated with Conway, KS

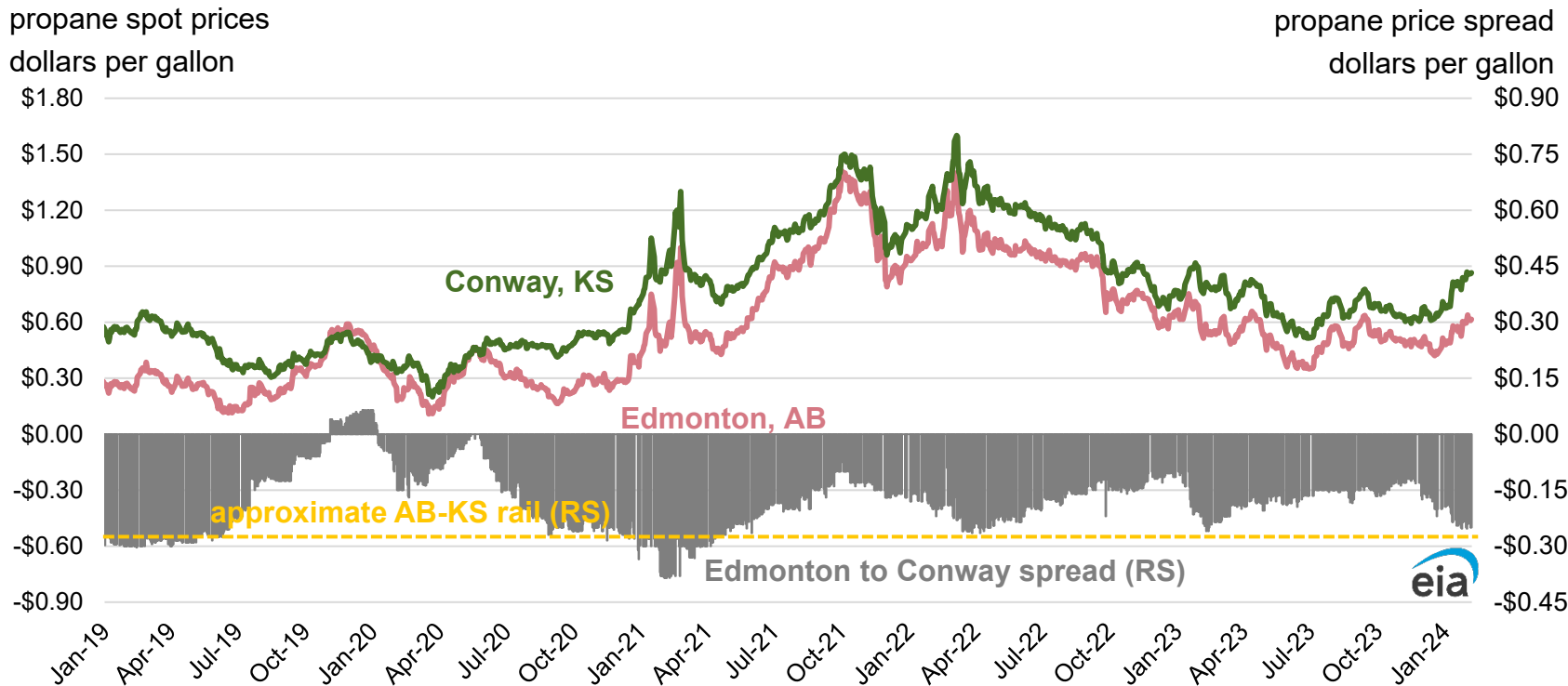
propane spot prices
dollars per gallon



Data source: Bloomberg L.P., data through February 6, 2024

*Rapid River, MI rack prices not consistently available during summer months

Rise in Conway propane spot prices widening premium to around ~25¢/gal over Edmonton, enough to cover rail transport into most Midwest markets



Data source: Bloomberg L.P., data through February 6, 2024

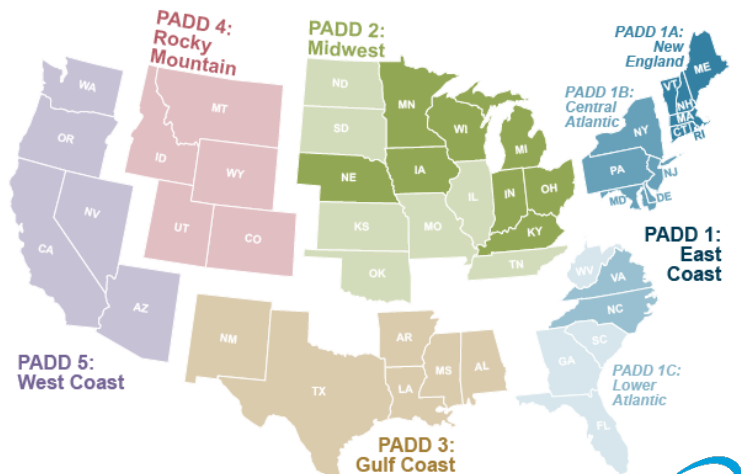
State Heating Oil and Propane Program (SHOPP) updates

- SHOPP is a collaborative program between states and EIA that provides weekly wholesale and retail prices for heating oil and propane at the state level.
- EIA expanded SHOPP in October 2014 to include 14 additional states in propane price data collection. In 2016, EIA added 10 new states to its wholesale propane price publication. This should be taken into consideration when comparing the average prices for the U.S., PADD 1, PADD 1B, PADD 1C, and PADD 2 averages.
- EIA has been providing more granular inventory data to states on a weekly basis since the 2016/2017 heating season.
- EIA implemented two new samples for residential heating oil and propane in October 2019. Under the new [sampling methodology](#), EIA is publishing [standard errors](#) for SHOPP prices.

Maps of states participating in Winter Fuels Survey

Petroleum Administration for Defense Districts

Winter Heating Fuels Survey — PADD 1 and 2 represented States



HEATING OIL

PADD 1: East Coast

PADD 1A: New England
Connecticut New Hampshire
Maine Rhode Island
Massachusetts Vermont

PADD 1B: Central Atlantic
Delaware New Jersey
District of Columbia New York
Maryland Pennsylvania

PADD 2: Midwest

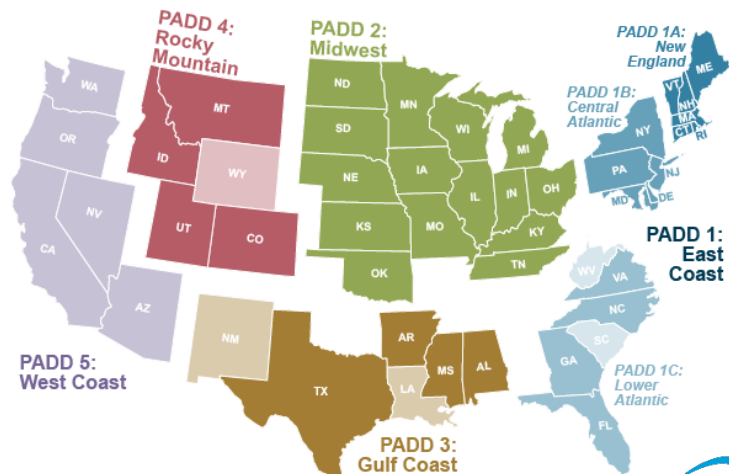
Indiana Minnesota
Iowa Nebraska
Kentucky Ohio
Michigan Wisconsin

PADD 1C: Lower Atlantic
North Carolina Virginia



Petroleum Administration for Defense Districts

Winter Heating Fuels Survey — PADD 1, 2, 3, and 4 represented States



PROPANE

PADD 1: East Coast

PADD 1A: New England
Connecticut
Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

PADD 1B: Central Atlantic
Delaware
Maryland
New Jersey
New York
Pennsylvania

PADD 1C: Lower Atlantic
Florida
Georgia
North Carolina
Virginia

PADD 2: Midwest

Illinois Nebraska
Indiana North Dakota
Iowa Ohio
Kansas Oklahoma
Kentucky South Dakota
Michigan Tennessee
Minnesota Wisconsin
Missouri

PADD 3: Gulf Coast

Alabama Mississippi
Arkansas Texas

PADD 4: Rocky Mountain
Colorado Montana
Idaho Utah

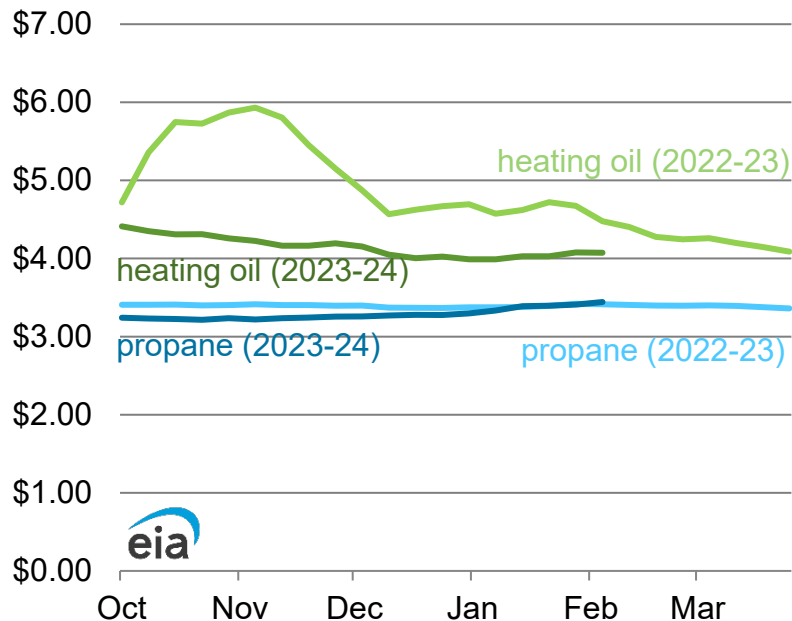


Data source: EIA, [Heating Oil and Propane Update](#)

Retail propane prices in PADD 1 are slightly higher than prices at this time last year; prices in PADD 2 are remain below last year's levels

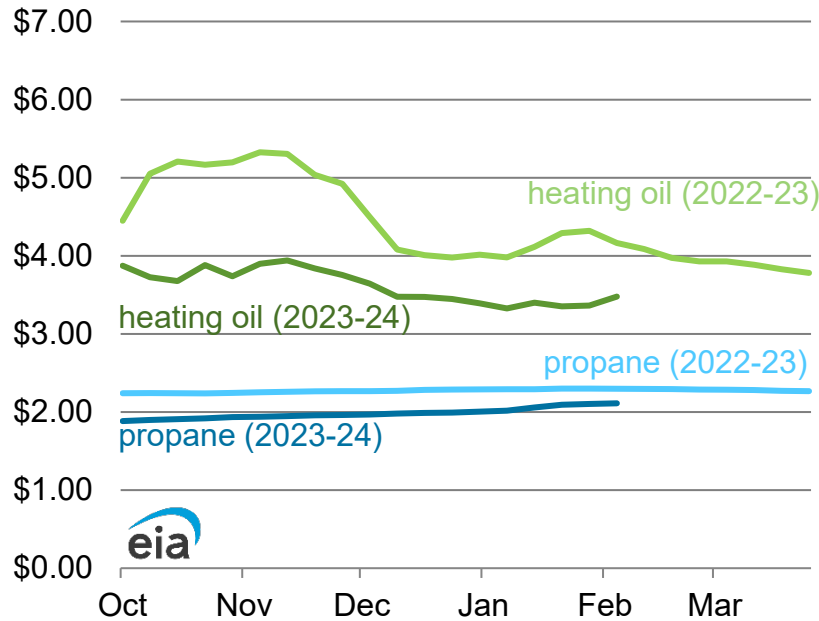
PADD 1

dollars per gallon



PADD 2

dollars per gallon



Data source: State Heating Oil and Propane Program, data through February 5, 2024

For more information

U.S. Energy Information Administration home page | www.eia.gov

State Energy Portal | www.eia.gov/state

Winter Heating Fuels Site | www.eia.gov/special/heatingfuels/

Movements of Propane by Rail |
http://www.eia.gov/dnav/pet/pet_move_railNA_a_EPLLPA_RAIL_mbbi_m.htm

Today in Energy | www.eia.gov/todayinenergy

Short-Term Energy Outlook | www.eia.gov/steo

Energy Explained – Hydrocarbon Gas Liquids |
http://www.eia.gov/energyexplained/index.cfm?page=hgls_home

Annual Energy Outlook | www.eia.gov/aeo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer